

EquiFund II

Open Information Session

Athens, 9th July 2024

Agenda

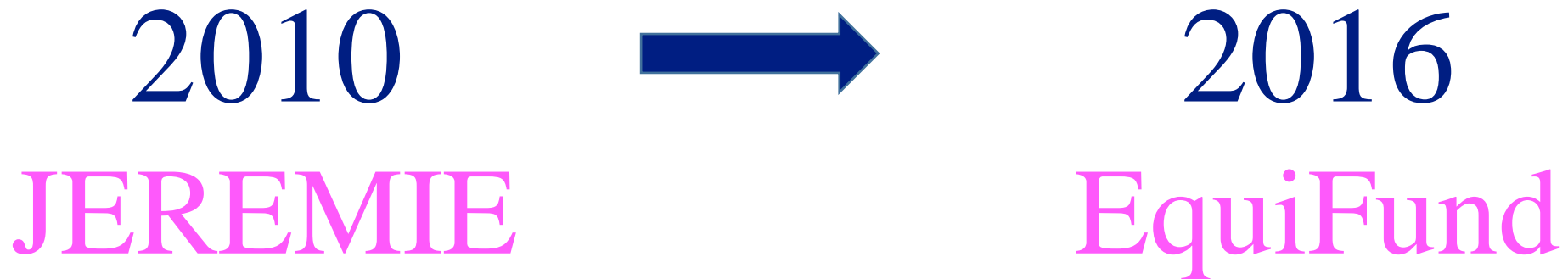
- 1 Welcome Remarks
- 2 EIF: Supporting the Greek VC / PE ecosystem
- 3 The EquiFund II initiative: Key points of the Call for EoI
- 4 The EIF Investment Process
- 5 Q&A

Welcome Remarks

- *Video message – Ioannis Tsakiris, EIB Vice President*
- *Dimitris Skalkos, Secretary General for Public Investment and Partnership Agreement, Ministry of Economy and Finance*
- *George Passaris, Senior Regional Representative, EIF*

EIF: Supporting the Greek VC/ PE ecosystem

Evolution of EIF support

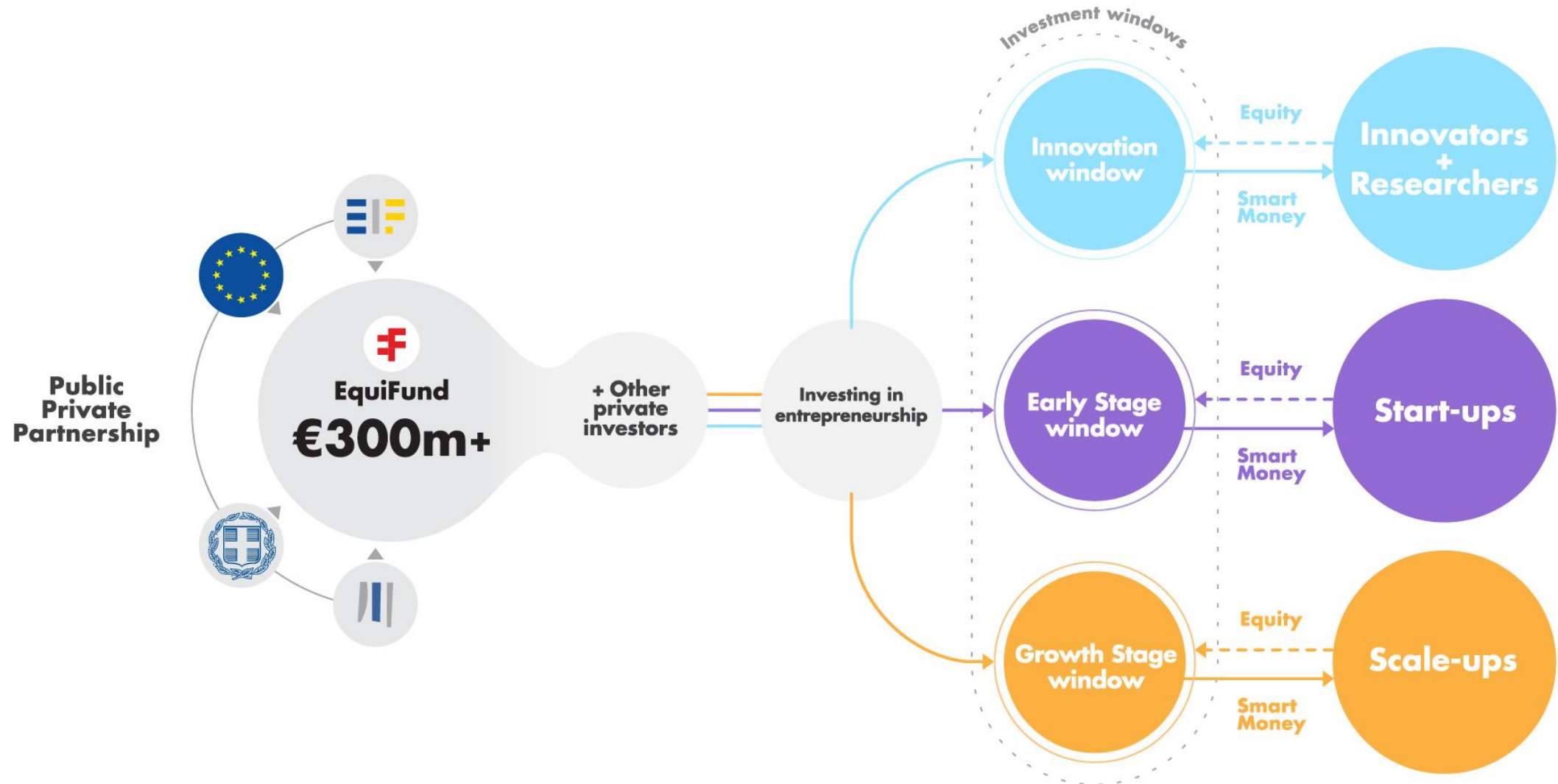


- First EIF VC investments in Greece
- Four funds supported in total, all with an ICT focus: two in seed stage and two in early stage
- Co-financing ratio : 70% public, 30% private
- Paving the way to mature the ecosystem at large

- Targeting the whole country and most economy sectors
- Including Innovation, Early-stage and Growth windows supporting all stages of an enterprise's life cycle
- Established a strong national ecosystem, putting Greece on the VC map and attracting interest from worldwide investors

Fund managers' teams supported by JEREMIE moved on to raise successor funds from EquiFund
Companies initially supported in their pre-seed stage by JEREMIE supported funds raised further financing rounds from EquiFund supported funds before successfully exiting

The EquiFund initiative



State of play

Results so far

139

companies

366m

invested amount

937m

mobilised amount

EquiFund II

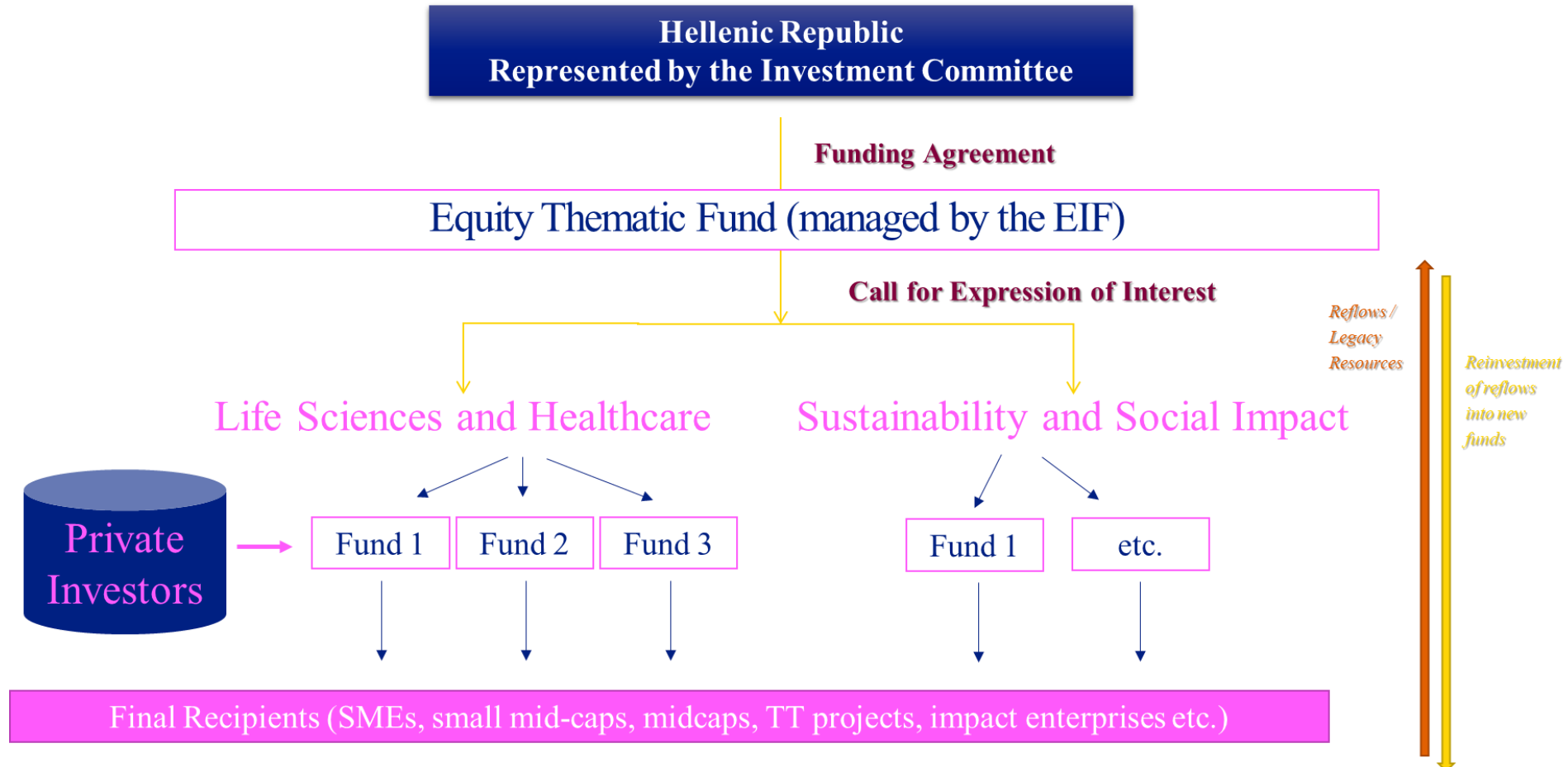
- *Key points of the Call for EoI*
- *State aid options*
- *The Life Sciences & Healthcare Window*
- *The Sustainability & Social Impact Window*

EquiFund II Investment Strategy

Key points

- The EquiFund II initiative is the first *thematic equity FoFs* in the country; the VC / PE ecosystem of Greece is now considered mature enough in terms of depth to start financing more targeted sectors of the economy where growth potential exists and / or policy priorities are targeted
- EquiFund II is expected to be *complementary* to the existing national initiatives that target more generic investment strategies
- EquiFund II is financed with *EUR 200m* of ERDF resources from the *O.P. “Competitiveness 2021-2027” AND national resources*.

Implementation arrangements



Call for Expression of Interest

Key elements

- The Call shall allow a *flexible allocation of the budget* across the products and asset classes, based on identified market opportunities (i.e., no pre-defined allocation of budget between the thematics).
- The exact number of Specific Funds to be supported will be a *function of the quality of applications* received and budget available, as assessed by the EIF following its *due diligence process*, in accordance to its internal rules & procedures.
- Financial Intermediaries may express their interest for one of the two windows
- It is the intention to finance *at least one Fund* under each of the two windows

Term Sheets

Key elements

- The investment period of the Underlying Funds will not extend after *31 December 2029*; this refers only to primary investments (initial portfolio), follow-on investments after this date will be possible
- Underlying Funds will primarily target Greece and shall invest their full commitment in *Target Recipients*.
- On an *exceptional basis*, regional funds (i.e. funds with an investment strategy targeting more than one country, including Greece) may also be supported. However, for regional funds, the following *constraints* apply:
 - a. The regional funds shall invest *an amount at least equal to the total amount committed under this CEoI* in Final Recipients that, *at the time of first investment* therein by the Underlying Fund, qualify as *Target Recipients*.
 - b. It is noted that there is a *cap on the max amount of the total CEoI budget that will be directed to regional funds*, i.e. not more than 1/3 of the total budget of the CEoI will be committed to regional funds (in total).

Term Sheets

Target Recipients

- A Final Recipient that, *at the time of the first investment* therein by the Fund complies with the following criteria:
 - i. it qualifies as one of the following (*subject to the applicable State Aid regime*): an SME; **OR** a Small Midcap; **OR** a Midcap; **OR** a Technology Transfer project.
 - ii. has a branch or establishment (i.e., is *legally incorporated*) in Greece; and **EITHER** has its main activities (i.e., the main portion of their activities based on headcount, assets or primary focus of the Final Recipient's business activities) in Greece **OR** is planning to expand the operations in Greece. For Final Recipients with expansion plans and/or early-stage portfolio companies with insignificant operations, the assessment of their main activities shall be based on the Final Recipient's business plan at the time of the first investment by the Fund;
 - iii. in the case of a **TT project**, including projects located outside Greece, is planning to establish operations in Greece based on the business plan at the time of the first investment by the Fund, it being understood that meeting the criterion under limb ii. above shall not be required in the case of TT projects

Call for Expression of Interest

Key elements

- *Independence* of the fund management team (primarily in management and investment / divestment decisions)
- *Diversification limit*: typically up to 15% of the total fund size in any single investee at any point in time (limit increase subject to AB approval)
- *Own commitment*: minimum percentage of the total size of the Underlying Fund to be assessed against and aligned with the Underlying Fund economics and the broader financial position of the manager's team to provide a relevant alignment of financial interest with investors (*'skin in the game'*)
- *Management fees & costs* negotiated in line with market practice and proportional to the operational requirements of the Underlying Fund and the investment strategy proposed
- Investors' representatives to be appointed on *Advisory Committee* to review, inter alia, conflicts of interest.
- *Reporting* (quarterly information in line with Invest Europe guidelines) and other reporting obligations (UBOs, state-aid, etc.) to be specified in the Operational Agreements
- *Auditing, Monitoring & Visibility* requirements in line with applicable law and Union Funds rules

State aid options

Key Elements

- As EquiFund II is financed with public resources, investments are subject to State aid rules and regulations
- The applicable State Aid regime(s) will depend on the investment strategy proposed by the selected applicants and their ability to source private financing (which is *part of the quality assessment* criteria of applicants).
- Two options:
 1. *Pari-passu structure*
 2. *Non pari-passu structure*

State aid option 1

Pari-passu structure

- A minimum of *30% Private Investor contribution* at the Underlying Fund level on a '*pari passu*' basis (same terms and conditions between public and Private Investors and therefore the same level of risk and rewards)
- *Pari-passu distribution cascade* for all investors
- Intervention of public and private resources always *simultaneous* (inherent in equity fund's structure)
- In addition to micro, small or medium sized enterprises (SMEs), non-SMEs may also be targeted
- *Prohibited investments* in companies:
 - that have received illegal State Aid which has not been fully recovered
 - listed on the official list of a stock exchange or a regulated market
 - operating in restricted sectors (as defined in the Call for EoI)

State aid option 2

Non pari-passu structure

- Only *unlisted micro, small or medium sized enterprises (SMEs) targeted* in both initial and subsequent financing rounds
- Minimum of *10% financing from Independent Private Investors* required at fund level
- SMEs targeted shall, at the time of initial investment, fulfill at least one of the following criteria:
 - they have not been operating in any market;
 - they have been operating in any market for any of the following (*minimum 20% private participation*):
 - i. less than 10 years following their registration; or
 - ii. less than 7 years after their first commercial sale;
 - they require an initial risk finance investment which, based on a business plan prepared in view of a new economic activity is higher than 50% of their average annual turnover in the preceding 5 years (*minimum 30% private participation*).

State aid option 2

Non pari-passu structure

- Cap at *EUR 16.5 million per eligible undertaking* under any risk finance measure.
- The Fund may provide support for *replacement capital* only if the latter is combined with new capital representing at least 50% of each investment round into the eligible undertakings
- *Prohibited investments* in companies:
 - undertakings in difficulty, as defined in Art. 2(18) of the GBER.
 - undertakings that have received illegal State aid which has not been fully recovered.
 - undertakings operating in additional not supported activities as per Art. 1 of GBER.
 - investees, activities or sectors restricted or excluded as per Part III hereof

State aid options – Distribution Cascades

Pari passu structure

Pari passu distribution cascade for all investors.

1. First, 100% to all investors (pro-rata to their underlying economic interest) until they have received distributions in aggregate equal to the total capital committed to the Underlying Fund;
2. Second, 100% to the Private Investors and the EIF, acting on behalf of the MS, (pro-rata to their underlying economic interest) until each investor has received sums equal to a *compounded market standard Hurdle Rate* on their capital drawn to the Underlying Fund as from the respective dates of drawdown until the dates distributions are made;
3. Third, 100% to the Fund Manager until the Fund Manager has received an additional amount equal to 25% of the total preferred returns distributed to the investors under the paragraphs above;
4. Thereafter, *80% to the EIF (acting on behalf of the MS) and Private Investors* (pro-rata to their underlying economic interest) and 20% to the Fund Manager (Carried Interest).

Non pari passu structure

Net return on the EquiFund II investment is capped at 6% p.a.

1. First, 100% to all investors (pro-rata to their underlying economic interest) until they have received distributions in aggregate equal to the total capital committed to the Underlying Fund;
2. Second, 100% to the Private Investors and the EIF, acting on behalf of the MS, (pro-rata to their underlying economic interest) until each investor has received sums equal to a compounded *Hurdle Rate of 6% of their capital drawn to the Underlying Fund* as from the respective dates of drawdown until the dates distributions are made;
3. Third, 100% to the Fund Manager until the Fund Manager has received an additional amount equal to 25% of the total preferred returns distributed to the investors under the paragraphs above.
4. Thereafter, *80% to Private Investors* (pro-rata to their underlying economic interest, excluding the share of EIF and 20% to the Fund Manager (Carried Interest)).

Call documentation & timeline

■ Five main documents:

- Call for Expression of Interest
- Annex I: Expression of Interest
- Annex II: Selection Criteria
- Annex III: Term Sheet Life Sciences
- Annex IV: Term Sheet Social

■ Additional documents:

- Clarification Document

■ *Call documents always supersede!!!*

Call publication (target)	19th June
Submission of clarification questions	10th July
Publication of clarification document	29th July
Deadline for submission of applications	30th September
Foreseen signatures with financial intermediary*	Q2 2025

*Envisaged timeline to be further reviewed based on the # of applications received

The Life Sciences & Healthcare Window

Definitions of Sectors

Life Sciences

- Companies operating in the research, development, manufacturing, sales and distribution of:
 - Pharmaceuticals
 - Biotechnology based food, medicines and technologies
 - Medical devices
 - Nutraceuticals and cosmeceuticals

And other products that improve the lives of organisms

Healthcare

- Businesses that provide:
 - Medical services
 - Medical insurance
 - Manufacturing, sale and distribution of medical equipment or drugs

Or otherwise facilitate the provision of healthcare to patients

Target recipients of underlying funds

Technologies, products and solutions that contribute to improving the healthcare systems, disease prevention, diagnostic and treatment, and promoting a healthy lifestyle

Companies

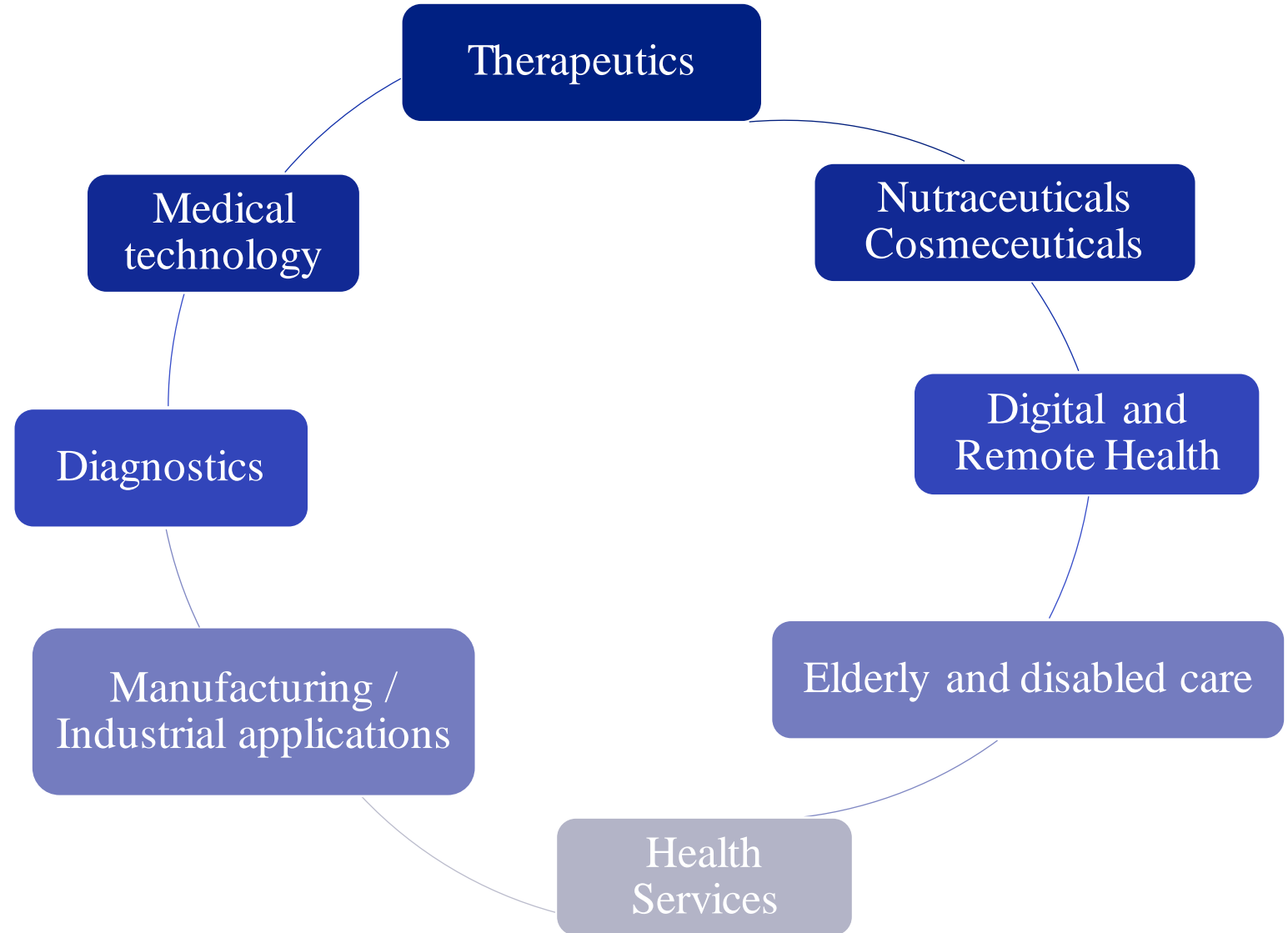
- SMEs
- Small Mid caps

Tech transfer projects

- Originate from universities/higher education institutes
 - Convert research, development, knowledge, new technologies, or
 - Foster new applications of existing technologies

And meet the respective criteria for a presence in Greece

Sectors in scope



Therapeutics and Platform technologies

- Therapeutics
 - Small molecules (NCEs)
 - Biologics (eg antibodies, antibody fragments, peptides)
 - Cell and Gene therapies
 - RNA based therapeutics
 - Vaccines
- Therapy area and indication agnostic
- Novel therapies or repurposing of existing therapies
- Platform technologies
 - Drug conjugation linkers (Ab drug conjugates)
 - Drug delivery systems and formulations
 - Half life extension technologies
 - Cell lines
 - Vaccine adjuvants
 - Technologies enabling the R&D process
 - Digital technologies
 - Analytical instruments

Medical Technology

- Implants
 - Stents, valves, orthopaedic implantable devices
 - Personalised implants – 3D printing
- Biomaterials
 - Biodegradable / biocompatible polymers
 - Medical grade metals, ceramics and plastics
- Surgical Instruments and equipment
 - Smart surgical instruments (robotic, laparoscopic)
 - Improvements on conventional instruments
- Medical Instruments and equipment
 - Imaging instruments, patient examination equipment
 - Patient monitors
 - Mobility aids, hospital beds
- Consumables
 - Medical mould technologies
 - Surgical and laboratory consumables
 - Pharmaceutical packaging

Diagnostics

- In vitro diagnostics
 - Laboratory tests - techniques and instruments for the analysis of patient samples
 - Point of care diagnostics used by the patient (eg infectious disease detection)
- In vivo diagnostics tests
 - Imaging (eg radiography, ultrasound)
 - sensors (eg glucose monitoring)
- Enabling technologies
 - New diagnostics methods (eg PCR, mass spectrometry)
 - Novel biomarkers or biosensors
 - Cartridges
 - Reagents
 - Consumables
 - Sampling devices (eg for biopsy)

Manufacturing and Industrial applications

- New/improved production processes
 - Cell lines for the production of therapeutics
 - Improve quality and regulatory compliance (eg purification processes)
 - Reduce costs
 - Automation, process control
- Monitoring processes
 - Information systems (eg equipment functionality)
 - Analytics of product amount and purity
 - Sensors for storage and incubation temperatures, humidity
- Manufacturers
 - Therapeutics, diagnostics, reagents, tableting excipients
 - Medical devices, consumables, instruments

Health Services

Facilitate the provision of healthcare to patients

- Medical services
 - Healthcare facilities management
 - Healthcare IT infrastructure (eg storage and management of patient data)
 - Applications connecting patients to healthcare providers, appointment management
- Manufacturing and distribution
 - Manufacturers (medical and hospital equipment, eg control and display panels, bed head units)
 - Cold chain distributors of medicines and specimens
- Medical insurance providers
 - Private health insurance providers for individuals / employees
 - Travel and international insurance providers

Elderly and disabled care

As well as for other population groups

- Elderly care
 - Safety – apps and wearable devices for monitoring falls and tracking vital signs such as heart rate and oxygen levels
 - Smart living technologies that promote healthy behaviours (eg conversation, communication with loved ones taking of medication)
 - Technologies and services for senior-care providers (home-care services and care homes) eg remote monitoring
- Disabled care
 - Wellness and fitness – AI driven personalised care
 - Technologies/services that help with personal care /household activities and promote independence
 - Exercise and rehab equipment
- Women specific healthcare solutions
 - Knowledge generation – addressing gaps in women's health and health data
 - Personalised treatments and healthcare information
 - Improved access to healthcare

Digital and Remote health

As well as AI/ML applied to life sciences and healthcare

- Information and knowledge generation
 - Digitalised records
 - Diagnostics eg imaging assessment and interpretation
 - Predictive analytics (eg epidemiologic modelling)
- Sensors, remote monitoring and operation of devices
 - Surgical – robotics and remote site
 - Tracking, monitoring, triggering of implantable devices
 - Dose monitoring of therapeutics
- Telehealth
 - Telemedicine – remote consultations, care management and coordination
 - Personal health devices/components – mobile assessment, monitoring
 - Mobile apps for self care

Nutraceuticals

Derived from foods, but sold in the form of pills, or other medicinal forms and have a physiological benefit or help with disease management and prevention

- Vitamin, mineral supplements and isolated nutrients
- Herbal products, compounds derived from fruits and vegetables
- Antioxidants (eg polyphenols)
- Probiotics and prebiotics
- Dietary fibre

Cosmeceuticals

Sold as cosmetics but have a therapeutic action beyond the time of application

- Anti-aging
- Anti-inflammatory
- Hair fall prevention and growth
- Maintenance of skin tone and clarity of complexion
- Treatment of skin disorders (acne, pigmentation related disorders)

The Sustainability and Social Impact Window

The rise of impact investing

The world is changing

In order to foster a sustainable future in line with the United Nations SDGs and address societal issues and the climate and environmental emergency; *sustainable investment* is on the increase

Investing with impact is a commercial opportunity

Impact enterprises are breaking free of their associations with charitable or philanthropic causes. The *market opportunity for climate, environmental and social innovation is vast and the majority of impact investors seek competitive, market-rate returns*

New investors are moving in

The impact market is drawing *new and diversified investor* attention contributing to build *a growing impact ecosystem* and direct capital to *game changing enterprises and solutions*

The future of investing

Busting the myths of impact

Shaping the impact landscape

What is a impact-driven enterprise?

At the EIF, these three values must all be present

Intentionality

The enterprise must have a *clear purpose* in providing entrepreneurial solutions to societal, climate and environmental problems and must also state this purpose transparently in their *business strategy*

Profitability

The enterprise must seek impact in a *commercially profitable* manner – meaning that there needs to be a clear *positive correlation* between the *impact* they pursue and their *economic value creation*

Scalability

The enterprise must in addition display a clear *commercial drive* to seek financial sustainability and be able to *manage growth* in time – in a way which still holds true to its impact business model and purpose

Sustainability & Social impact Window: what is in scope

The scope of the Sustainability and Social Impact Window can indicatively cover one or more of the following three sub-windows:

1. **Social Impact Investments** aimed at supporting social enterprises or impact-driven enterprises delivering impact in their path to scale. The main objective of such enterprises is to make intentional and positive social change through expansion and scale-up of their business model and related impact strategy and can reasonably be expected to be active on the following sub-sectors:
 - a. Skills and education
 - b. Employment
 - c. Migration
 - d. Socioeconomic inclusion
 - e. Diversity

Sustainability & Social impact Window: what is in scope

2. **Environmental Sustainability:** Technologies, products and solutions that contribute to climate mitigation and adaptation and environmental sustainability. These investment activities include, *but are not limited to*, the subsectors below at every stage of development:

- a. energy
- b. industrial decarbonisation
- c. mobility and transport
- d. water and marine resources and protection
- e. pollution prevention
- f. agri-tech and sustainable agriculture
- g. food-tech
- h. industrial biotech and green chemistry
- i. biodiversity and environmental ecosystems
- j. circular economy, resource efficiency and waste management,
- k. built environment, smart cities and urban tech
- l. prevention/management of extreme weather events and environmental disasters

Sustainability & Social impact Window: what is in scope

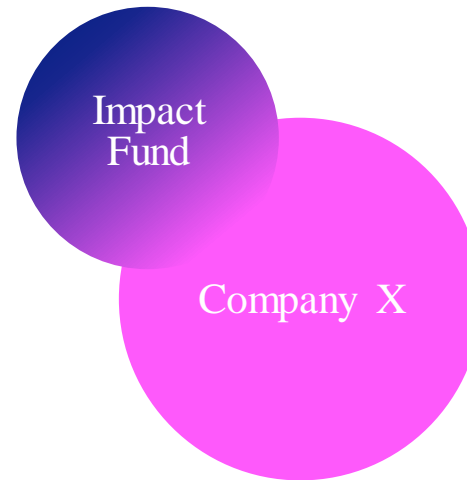
3. **Social Sustainability:** Technologies, products and solutions that contribute to social sustainability through facilitating the development of new skills and tackling social issues and society welfare. Such activities include, *but are not limited to*, the subsectors below and through all stages of development and growth:

- a. Lifelong learning and specialized education
- b. Wellness and nutrition
- c. Access to healthcare
- d. Workplace health
- e. Ageing population and elderly care
- f. Animal welfare, care and therapy
- g. Access and affordability of housing
- h. Human rights
- i. Participation in civil society and government

EIF impact performance methodology

3 steps to track the positive correlation between financial value and impact, overseen by an Advisory Committee

Step 3
Monitor and share the impact multiples achieved at company and portfolio level



Step 1
Define 1 to 5 impact indicators per portfolio company



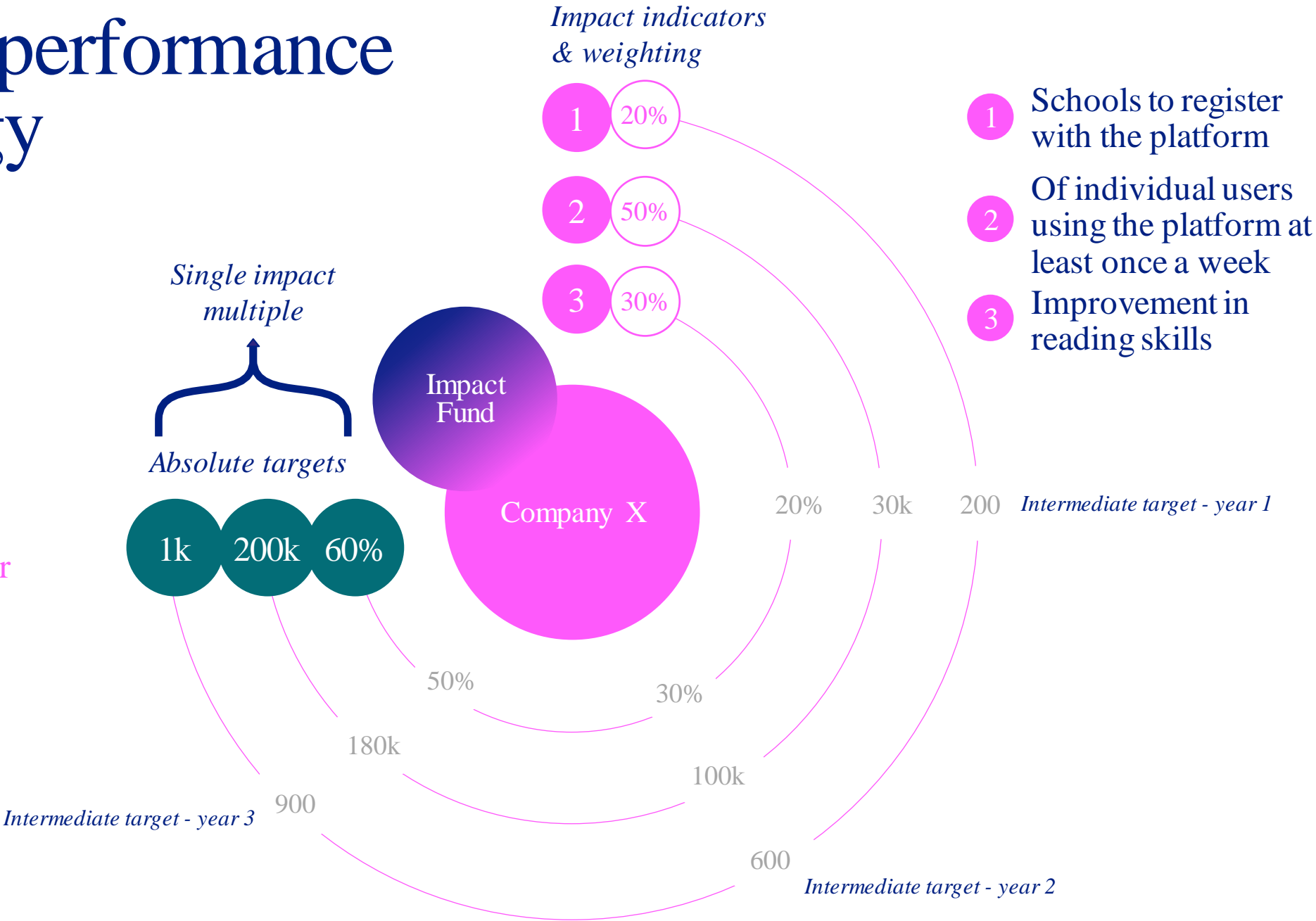
Step 2
Set a quantifiable target on each impact indicator, at the moment of the investment as well as a weighting



EIF impact performance methodology

An example

Company X
An online platform to help school pupils improve their reading & learning skills



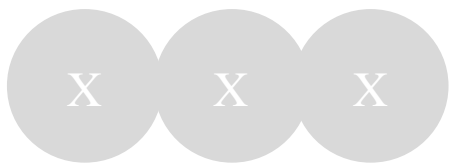
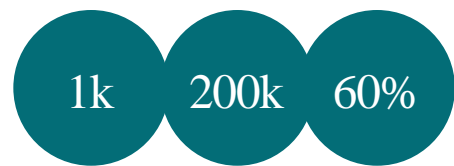
EIF impact performance methodology

Assessing the impact & determining the carry

At company level

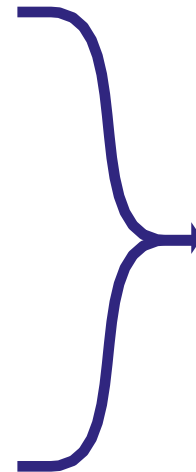
*If at exit the company hits its exact absolute targets, its impact multiple is **1.0***

Achieved targets



Single impact multiple

Single impact multiple



Aggregate portfolio multiple

At fund level

A Fund's impact multiple is then determined at portfolio level

Impact carry typically 50% to 100% of financial carry

Above 0.8

100% of the impact carry is distributed to the predefined carry recipients.

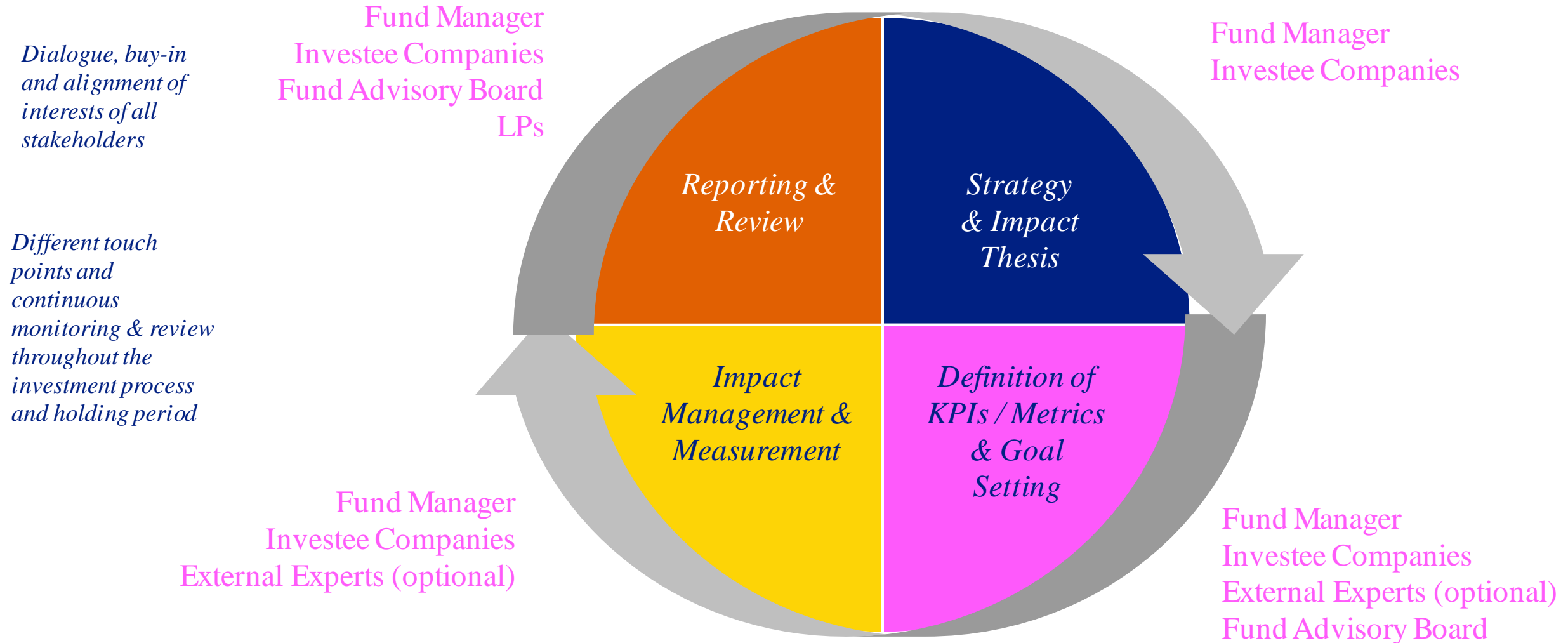
0.6-0.8

Based on a linear scale, between 50% and 100% of the impact carry is distributed to the fund manager

Below 0.6

No impact carry is distributed to the fund manager

Impact throughout the Investment Process



What's in it for...

Fund Managers and LP investors

Substantiate an investment strategy that *positively correlates* financial value and positive impact.

Provides for a mechanism which *aligns interests of LPs and Fund Managers (GPs)* on impact in addition to financial performance.

Requires that Fund Managers to *define, manage and communicate Intentional and Measurable Impact*.

Over > 100 VC and PE funds backed by EIF implementing impact measurement

Portfolio companies

Distinct articulation of impact thesis and value proposition for clients and stakeholders

Obtain a *KPI toolkit* that allows them to manage the climate, environmental and/or social impact of their business model

Impact metrics become part of the investor's dashboard, leading to an *alignment of interest* across the value chain, from founders to GPs and LPs.

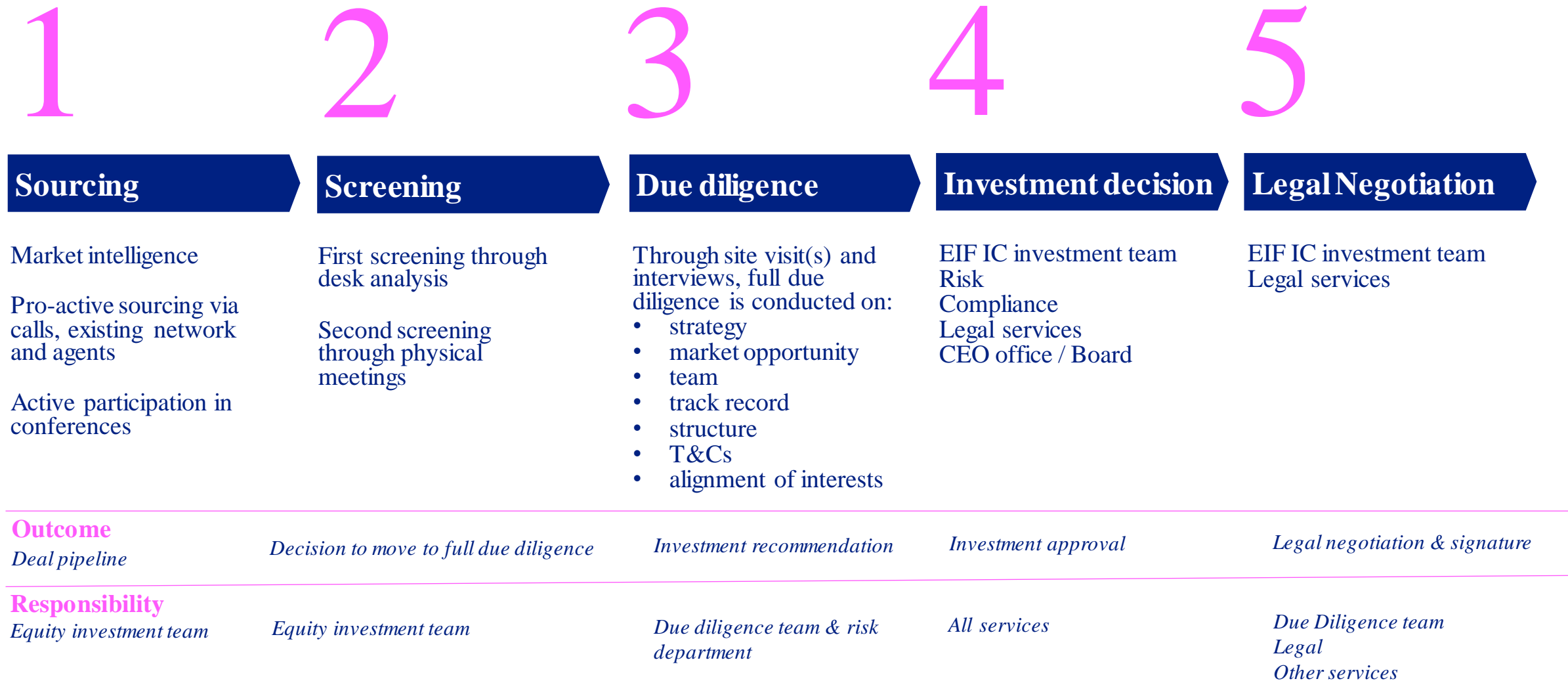
A clearly defined methodology that relies on *dialogue* while also providing for a rigorous *monitoring and management* of the impact achieved.

Our deployment & application processes

*The processes explained
step-by-step.*

Our equity investment deployment process

A selective and rigorous approach involving EIF investment, risk, compliance, legal departments



How to apply

The application process in three steps

Step 1 *Info point*

eif.org

*Gain an overview of the mandate and dig deeper into the **Call for Expression of Interest documentation**, which includes:*

- *detailed product term sheets*
- *reporting requirements & templates*
- *FAQs*
- *and more*

Step 2 *Apply*

*via email
address*

Send the application with all relevant documents to the indicated email address in the Call for Expression of Interest

Step 3 *Selection*

*Desktop
search &
on-site
visits*

Analysis of the application with all relevant documents

Expected 9 months from application to commitment agreement (depending on quality of information received)

Our commercial due diligence process

*We perform a thorough
review of the main aspects
of the investment proposal.*

We're looking for coherent links

The elements of your proposal must support one another and align with your strategy



Investment considerations

Investment strategy the DNA of your proposal

1 Your *investment thesis and focus*, and how will you *source opportunities and add value to founders and companies*, help them grow. *Impact & ESG approach* also important according to strategy. How will you structure your fund to ensure an *appropriate level of investment and diversification, generate returns and minimize failures*.

What	Investment focus: geography, sectors, investment stage, etc	Capital deployment & portfolio construction	Origination and deal sourcing strategy	Value creation Exit strategy
Why	Fit with the mandate requirements	Strategy consistency with past team experience and market	Ability to source investments in line with the strategy	Ability to create value during the holding period
When	From the 1 st screening to Due Diligence			

Investment considerations

Market Opportunity

2

What is the market opportunity in terms of *breadth and depth*?

How will your fund proposal fit into the *existing market and address current trends and gaps*?

Who are the *competitors* in the target market segment?

How will you ensure sufficient *deal flow*?

What

General macro
overview of the
targeted country

Overview of VC
industry in the
targeted market

Direct competition:
other funds, family
offices, etc

Indirect competition

Differentiation

Why

Attractiveness of the
market

Analysis of
differentiating angles:
proposal vs market

When

From the 1st screening to Due Diligence

Investment considerations

Team

3 The composition of your team will need to *evidently reflect your strategy with the required expertise and skillsets* but also show a *clear alignment of interest* in terms of dedication, governance, incentives and commitment

What	Team set-up: completeness & complementarity	Background, skills & experience	Hiring plan Deal team structure	Decision process Alignment of interest
Why	Assessment of team dynamics	Assessment of adequacy to invest and deploy	Completeness & workload analysis	Incentive scheme Reputation
When	From the 1 st screening to Due Diligence One-to-one meetings during site visits			

Investment considerations

Track record: relevance, performance and benchmarking

4 The team should bring a *prior track record of investing, relevant and transposable* to the execution of the fund’s strategy.
Learnings and experience acquired are just as important as successful investments and/or financial performance

What	Relevance, attribution, structure	Case study: origination, value creation & exit skills	Case study: lessons learnt	Current performance
				Expected performance
Why	Assessment of relevance and attribution	Assessment of the performance	Benchmarking	
When	From the 1 st screening to Due Diligence Reference calls with previous employers, portfolio companies			

Investment considerations

Structure, governance and budget

- 5
- Fund structure should be *compliant with EU regulatory and tax requirements*

Governance and decision making process should ensure *team independence and control of key decisions*

Budget should aim for *coverage of operating costs and viability of the Management company*

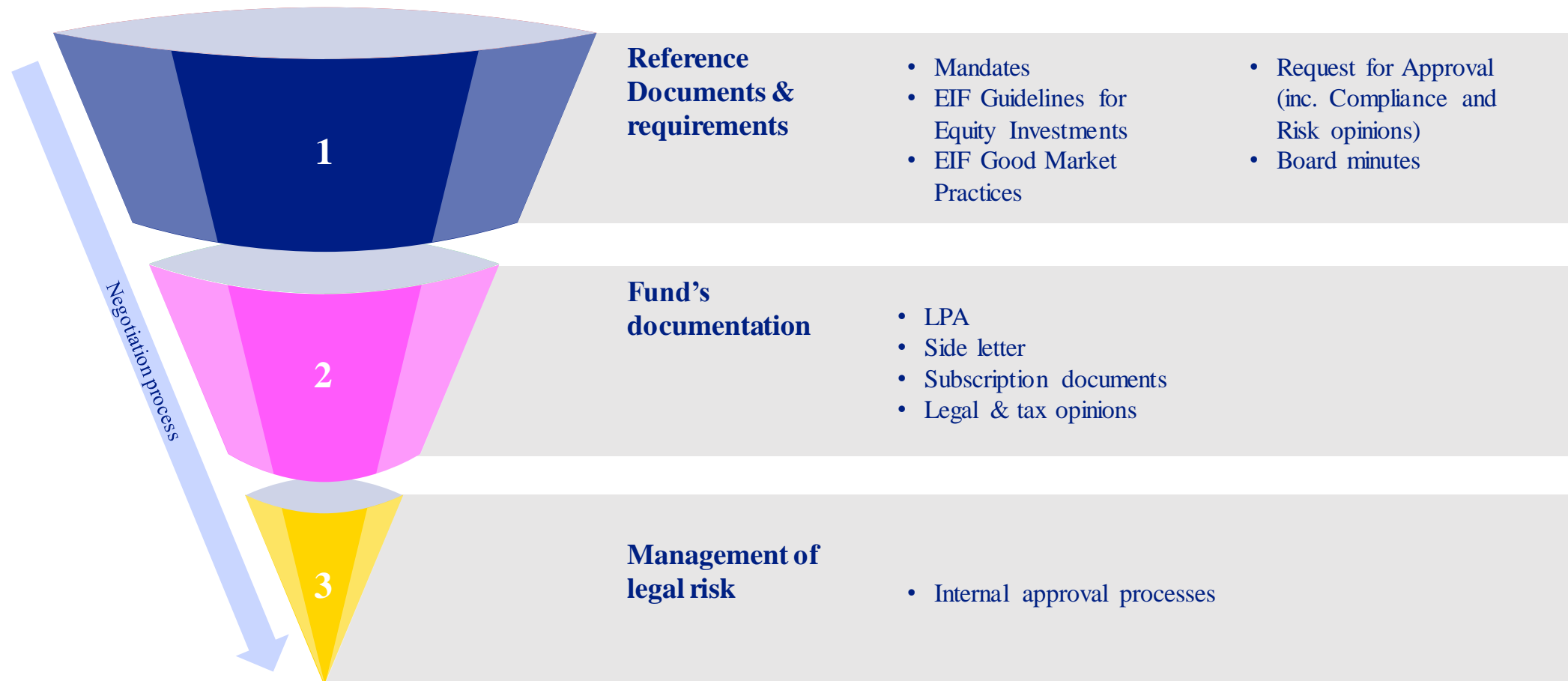
What	Legal structure: SPVs, carried interest vehicle, etc	Regulated vs unregulated structure	Shareholding structure	Decision making Budget
Why	Compliance assessment of the structure	Assessment of adequacy of decision making and regulatory oversight	Budget review: viability and surplus analysis	
When	From the 1 st screening to Due Diligence Budget review during Due Dilligence			

Legal negotiation

We ensure that mandate requirements and good market practices are implemented.

Legal Framework Interplay

How does the legal framework come into play in the EIF negotiations?



Key Terms & Good Market Practices

Investment guidelines and investors' protection

Investment Policy

- Geographic, stage and sector focus and investment or policy restrictions

Fund management

- Fund governance
- Independence
- Dedication
- Exclusivity

Risk mitigation and conflicts of interest

- Investment period & duration
- Risk diversification & concentration limits
- Borrowing & lending by Funds
- Co and cross-over investments
- Reinvestments

Investor protection

- Limited liability of LPs
- Removal of the Manager, Change of Control and Key-man protection
- Alignment of interests
- *Pari-passu treatment*
- Defaulting investors

Economic terms & others

- Management fee, team commitment and carried interest, equalization fees and fee offset
- Hurdle rate and waterfall distribution
- Reporting



Overview of a fund's legal documentation

	Limited Partnership Agreement	Side letter	Subscription agreement	Legal & Tax Opinion
Short definition	Contains all the terms that govern the Fund and those agreed with the limited partners	Agreed between individual LPs and the GP addressing terms that supplement or modify the LPA	Formal agreement between the fund and the LPs to buy shares of the fund	Letter addressed to LPs expressing conclusions on the capacity and authority of certain parties or the validity and enforceability of certain fund's documents
Description	<p>In some case cases the LPA is complemented by the fund's by-laws and the information contained in the private placement memorandum, if any.</p> <p>For issues that EIF normally seeks to address in the LP, see previous slides</p>	<p>Side letters often grant special rights and privileges to important investors or to those subject to government regulation, and are also useful tools to accommodate last-minute requests from prospective limited partners.</p> <p>Most favored nations provisions (MFN) permits the election of certain benefits negotiated by, and granted to, other limited partners via side letter.</p>	<p>The subscription agreement contains the condition precedents of the transaction and all provisions related to the LP's investment limits (in amount and time).</p> <p>Reps & warranties</p> <p>US law considerations (when applicable)</p>	<ul style="list-style-type: none"> • Capacity opinions: cover aspects of capacity and authority of the parties involved in the fund's legal documentation. • Enforceability opinions cover aspects relating to the legality, validity and enforceability of the relevant transaction documents under applicable law(s). • Tax opinions: covers certain tax considerations (tax treatment of the fund, the capital subscription, dividends...).

Follow our stories and work on social media



Pablo Millan-Cantero, millan@eif.org
Vasiliki Papasouli, v.papasouli@eif.org

To find out more please visit us
at: www.eif.org

European
Investment Fund
37B avenue J.F. Kennedy

L-2968 Luxembourg
Phone: +352 24851